

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	
	§	Case No. 22-60043
FREE SPEECH SYSTEMS, LLC.,	§	Chapter 11 (Subchapter V)
	§	
Debtor.	§	

DEBTOR'S NOTICE OF CASH COLLATERAL BUDGET FOR FEBRUARY 2024

FREE SPEECH SYSTEMS, LLC. ("FSS" or "Debtor") files this notice in accordance with the *Seventeenth Interim Order Authorizing Debtor's Use of Cash Collateral and Providing Partial Adequate Protection* [ECF #772] where the Court ordered FSS to file a notice with an attached budget on or before seven days prior to the end of each month.

FSS' cash collateral budget for February 2024 is attached to this Notice as Exhibit A (the "Budget"). The Budget reflects the use of cash collateral consistent with the payment of reasonable and necessary operating expenses of FSS throughout the pendency of this case.

Respectfully submitted.

LAW OFFICES OF RAY BATTAGLIA, PLLC

/s/ RAYMOND W. BATTAGLIA

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Counsel to the Debtor and Debtor-In-Possession

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served by the Court's CM/ECF system on all parties registered to receive such service on the date of filing,

/s/Raymond W. Battaglia

Raymond W. Battaglia

Week Number	2/1/2024- 2/3/2024 6	2/4/2024- 2/10/2024 7	2/11/2024- 2/17/2024 8	2/18/2024- 2/24/2024 9	2/25/2024- 2/29/2024 10	Total	NOTES
Income							
Product Sales (Net of 7.0% Merchant Fee)	\$ 241,279.29	\$ 562,985.00	\$ 568,634.25	\$ 575,565.96	\$ 278,352.07	\$ 2,226,816.57	Net of 5.5% CC Merchant fees. Includes Shipping and Sales Tax, excludes any PQPR / Platinum
New Product Initiative	15,150.00	37,150.00	35,292.50	37,057.13	25,250.00	149,899.63	Drop Ship vendor for Meals Ready to Eat and Coffee, gross sales
Point of Sales Revenue	12,935.00	32,615.00	29,750.00	30,175.00	22,033.33	127,508.33	Fulfillment Vendor Product Sales
Platinum / PQPR Commission	31,450.00	77,500.00	65,875.00	62,500.00	49,000.00	286,325.00	Net of 50% payment to PQPR
Donations	400.00	1,000.00	750.00	1,000.00	500.00	3,650.00	
Total Income	301,214.29	711,250.00	700,301.75	706,298.09	375,135.40	2,794,199.53	
Selling & Product Costs							
Inventory Purchases	-	(200,000.00)	-	(250,000.00)	-	(450,000.00)	Inventory deposits and purchases from numerous Vendors
New Product Initiative	(11,362.50)	(27,862.50)	(26,469.38)	(27,792.84)	(18,937.50)	(112,424.72)	Payments to Meal Ready to Eat Vendor
Point of Sale Product Cost	(7,761.00)	(19,569.00)	(17,850.00)	(18,105.00)	(13,220.00)	(76,505.00)	Fulfillment Vendor product costs
Fulfillment Services	(32,572.70)	(76,002.98)	(76,765.62)	(77,701.40)	(37,577.53)	(300,620.24)	Fulfillment Vendor shipping and handling costs
Texas Sales Tax (20% of Sales @ 6.25%)	(3,015.99)	(7,037.31)	(7,107.93)	(7,194.57)	(3,479.40)	(27,835.21)	
Total Cost of Goods Sold	(54,712.19)	(330,471.79)	(128,192.93)	(380,793.82)	(73,214.43)	(967,385.16)	
Operating Expenses							
Advertising & Promotion							
Social Media Advertising	(1,250.00)	(1,250.00)	(1,250.00)	(1,250.00)	(1,250.00)	(6,250.00)	Advertising Campaign on X
Radio Show Advertising	-	-	-	-	-	-	
Total Advertising & Promotion	(1,250.00)	(1,250.00)	(1,250.00)	(1,250.00)	(1,250.00)	(6,250.00)	
Computer/IT/IP Expense							
Internet & TV services	(2,500.00)	(1,750.00)	(3,250.00)	(3,250.00)	(1,750.00)	(12,500.00)	
Server Hosting / Cloud Service / Ecomm	(15,000.00)	(90,000.00)	(50,000.00)	(50,000.00)	(10,000.00)	(215,000.00)	
Satellite Service	-	(175,000.00)	(15,000.00)	(15,000.00)	-	(205,000.00)	
Telecommunications	(18,500.00)	(2,000.00)	(7,000.00)	(5,000.00)	(5,000.00)	(37,500.00)	
Image License, Software & Other	(10,000.00)	(10,000.00)	(10,000.00)	(7,500.00)	(2,500.00)	(40,000.00)	
Total Computer/IT/IP Expense	(46,000.00)	(278,750.00)	(85,250.00)	(80,750.00)	(19,250.00)	(510,000.00)	
Office & Administrative Expense							
Bank Fees & Service Charges	(100.00)	(200.00)	(200.00)	(200.00)	(100.00)	(800.00)	
Insurance	-	(12,000.00)	-	-	-	(12,000.00)	Liability, auto, property and workers comp
Rent	-	(57,440.00)	-	-	-	(57,440.00)	
Utilities	(800.00)	(4,000.00)	(500.00)	(500.00)	(500.00)	(6,300.00)	
Janitorial	-	(3,500.00)	-	-	-	(3,500.00)	Monthly Cleaning fees
Office Security	(10,500.00)	(10,500.00)	(10,500.00)	(10,500.00)	(10,500.00)	(52,500.00)	
Repair & Maintenance	-	-	(5,000.00)	-	-	(5,000.00)	
Supplies/Printing/Copy	(1,000.00)	(1,000.00)	(2,500.00)	(2,000.00)	(1,000.00)	(7,500.00)	Includes Konica Minolta copier lease
Business Meals	(1,000.00)	-	(1,000.00)	-	(500.00)	(2,500.00)	
Total Office & Administrative Expense	(13,400.00)	(88,640.00)	(19,700.00)	(13,200.00)	(12,600.00)	(147,540.00)	
Personnel Expenses							
Salaries & Wages & Benefits	-	(167,500.00)	-	(167,500.00)	-	(335,000.00)	
Payroll Tax	-	(15,400.00)	-	(15,400.00)	-	(30,800.00)	
Contract Employees	(5,000.00)	(14,500.00)	(10,000.00)	(12,450.00)	(3,500.00)	(45,450.00)	
Consulting Services	(3,850.00)	(5,000.00)	(3,850.00)	(5,000.00)	(2,500.00)	(20,200.00)	HR, Tax and Bookkeeping Fees
Alex Jones Salary	-	(25,000.00)	-	(25,000.00)	-	(50,000.00)	Per the 11/27 Hearing, Jones Salary will be \$25,000 per pay period
Total Personnel Expenses	(8,850.00)	(227,400.00)	(13,850.00)	(225,350.00)	(6,000.00)	(481,450.00)	
Travel							
Mileage/Parking/Tolls	(100.00)	(100.00)	(100.00)	(100.00)	(50.00)	(450.00)	
Special Event Travel & Security	-	(20,000.00)	-	-	-	(20,000.00)	Border Trip
Travel / Lodging	-	-	-	(18,500.00)	-	(18,500.00)	Confirmation hearing travel expenses
Vehicle Rental / Leases	(500.00)	(500.00)	(500.00)	(500.00)	-	(2,000.00)	
Total Travel Expenses	(600.00)	(20,600.00)	(600.00)	(19,100.00)	(50.00)	(40,950.00)	
Total Operating Expenses	(70,100.00)	(616,640.00)	(120,650.00)	(339,650.00)	(39,150.00)	(1,186,190.00)	
Non-Operating Expenses							
Mobile Production Equipment	-	(20,000.00)	-	-	-	(20,000.00)	Mobile production equipment for on location broadcasts
Adequate Protection Payment to SEC Bank	(2,750.00)	-	-	-	-	(2,750.00)	
Total Other Expenses	(2,750.00)	(20,000.00)	-	-	-	(22,750.00)	
Professional Fees							
CRO Fees	-	-	-	-	(50,000.00)	(50,000.00)	
CRO Expenses	-	-	-	-	-	-	
Trustee Fees	-	-	-	(30,000.00)	-	(30,000.00)	
Trustee Counsel	-	-	-	(50,000.00)	-	(50,000.00)	
Legal Fees - Reynal	-	-	-	-	-	-	
Legal Fees - Tax Consulting	(50,000.00)	-	-	-	-	(50,000.00)	Analysis of FSS Sales Tax Compliance status
Legal Fees - Texas Appellate Counsel	-	-	-	-	-	-	
Sales Tax Preparation Fees	-	-	(50,000.00)	-	-	(50,000.00)	Analysis of FSS Sales Tax Compliance status
Data Discovery	-	(7,500.00)	-	-	-	(7,500.00)	
Ray Battaglia	-	-	-	(35,000.00)	-	(35,000.00)	
Total Professional Fees	(50,000.00)	(7,500.00)	(50,000.00)	(115,000.00)	(50,000.00)	(272,500.00)	
Total Cash Flow	123,652.09	(263,361.79)	401,458.82	(129,145.74)	212,770.97	345,374.36	
Ending Cash	2,823,652.09	2,560,290.30	2,961,749.13	2,832,603.39	3,045,374.36		

EXHIBIT

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